



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/871,924

06/01/2001

Thomas P. Hommrich

3660P058

1386

7590

10/23/2006

Lester J. Vincent
Blakely, Sokoloff, Taylor, & Zafman LLP
Seventh Floor
12400 Wilshire Boulevard
Los Angeles, CA 90025

EXAMINER

RUHL, DENNIS WILLIAM

ART UNIT

PAPER NUMBER

3629

DATE MAILED: 10/23/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/871,924	HOMMRICH ET AL.	
	Examiner	Art Unit	
	Dennis Ruhl	3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 21 July 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Applicant's response of 7/21/06 has been entered. The examiner will address applicant's remarks at the end of this office action. Currently claims 1-23 are pending.

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 17,18, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For claims 17,18, there is no tangible result that is obtained from the claimed method. For claim 17, even though it depends on claim 16, by taking the lanes out of the database, the examiner does not feel there is any tangible result because you then having nothing as far as a result goes. Putting the lanes in a database means there is a result, but if they are taken out (i.e. deleted), there is nothing left. The claims must have a tangible result to be considered statutory.

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 1-23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

For claims 1,19, it is unclear as to how many transportation lanes are required in the scope of the claim. If there is only one transportation lane (at least one allows for

this), then how can you add any more lanes to make the lot bigger? It seems to the examiner that there must be at least two lanes required in the scope of this claim, one in the lot and another one to be added to the lot. How many lanes are in the scope of this claim? The same holds for claim 19, which is just repeating what is claimed in claim 1. How many lanes are required in claim 19?

For claims 17,18, what is the scope? If claim 16 says the lanes are stored in a database, how can applicant then claim them as being taken out of the database in claim 17? This seems to be claiming a limitation and then taking that limitation away in a further dependent claim. It is not clear as to whether or not the lanes are stored in the database or if they are not stored in the database. Then in claim 18 they are claimed as being put into the database. Are they there or not? These claims are indefinite as the examiner does not know what is being claimed.

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was

Art Unit: 3629

not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

7. Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over the article "Business-to-Business online auctions: key issues for purchasing process improvement".

For claims 1,19-23, the article discloses the idea of reverse auctions and how they work in assisting companies in obtaining a lower price for goods or services that the company needs. The reverse auction allow cost savings to be obtained. The article discloses that in reverse auctions lots are set up for providers of the goods or service to place bids on. The bidding can be for almost anything a company desires. The article specifically discloses that transportation services are one thing that can be bid on in reverse auctions (see page 177, 2nd column; page 178, 1st column). The article specifically states that "Companies that spend a large amount of money on ground transportation to distribute goods would do well to save 4 percent". With respect to transportation of goods, it is inherent that there are origination and destination locations involved when a reverse auction is conducted for transportation services. The article also discloses and discusses what is called "lots" and "lotting" of items in the reverse auction. When using a reverse auction for transportation services there would inherently be "lots" as claimed that are made up of the desired transportation services from the origination location to a destination location. Each transportation route (lane) inherently has a transport value as claimed.

Not disclosed is the increasing of an area (either origination or destination) to include more lanes in the lot so that the "lot" has a value that exceeds a predetermined value. This is essentially the adding of more lanes to the lot to make it larger (more items in the lot).

Applicant should take notice that this missing limitation is being addressed in more than one manner in this 103 rejection and each separate obviousness statement should be construed as distinct rejections based on this reference. The examiner is addressing the reference with respect to transportation services.

A. The article recognizes and discusses that the buyers of the service "*may seek to reduce the number of suppliers and concentrate purchase volumes with fewer more capable suppliers*". See page 177, 1st column. Also stated is that "*individual buyers tend to favor certain suppliers and may impose subtle barriers to rationalization*". This suggest to one of ordinary skill in the art that the buyers may favor some suppliers over another and may desire to have less suppliers bidding as opposed to a greater number. One of ordinary skill in the art would recognize that one way to achieve this is to craft the lots in such a manner that certain suppliers are favored over others. One way this can be done is to increase the lot size to such as extent that the smaller suppliers cannot provide the services contained in the lot; therefore, effectively preventing them from even bidding on the transportation services contained in the lot. This also satisfies the claimed estimated cost limitation from claim 20 because more services result in more estimated cost as well as the claimed quantity of goods in claim 21. This would present an obstacle to smaller suppliers because they would not be able

to provide the services in the lot. Having larger lots with more transportation lanes in the lot would tailor the bidding towards the larger companies who can provide that level of service and would be an obstacle to the smaller companies that are not able to satisfy the services in the lot. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the lot size above a predetermined value by adding (lotting) more lanes to the lot (expanded origination and destination areas) in an attempt to favor those suppliers that are larger and that can provide the services in the lot and to reduce the number of companies bidding (an attempt to prevent some smaller less capable companies from bidding).

B. Page 179 discloses that "It is critical that lotting be performed very well as it helps suppliers recognize which parts" (in this case transportation service lanes) "fit their core competencies". This also teaches to one of ordinary skill in the art that the lotting is based on a number of considerations relevant to the supplier of the services and is something that can vary from company to company depending on your prospective suppliers. It is old and well known in the business world that suppliers would prefer to secure larger contracts for services as opposed to smaller contracts. From a common sense standpoint, it would not make sense to try to auction a very large number of small lots, due to the fact that you may be dealing with a large number of different companies (a logistical concern) and because larger companies may not be inclined to bid on a large number of smaller lots when they could just bid on fewer and larger sized lots. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the lot size above a predetermined value by

adding (lotting) more lanes to the lot (expanded origination and destination areas) so that the lots are of such as size that they would generate sufficient interest and entice suppliers to bid on the lot. Too small of sized lots would not be as desirable from a supplier standpoint as opposed to larger lots, because a larger lot (more lanes) means a larger contract. Evidence of this is also supported by the article on page 179 where it is stated that "*low volume lots or incorrectly lotted parts may be put aside and bid off-line at a later time*". Larger lots are more preferable to smaller lots because with smaller lots one would risk having the smaller lots put aside. This also satisfies the claimed estimated cost limitation from claim 20 because more services result in more estimated cost as well as the claimed quantity of goods in claim 21

C. Purely from a logistical standpoint concerning the time it takes to conduct an auction, having a large number of small lots is a lot more work than having a smaller number of larger sized lots. From a time standpoint, one of ordinary skill in the art would be motivated to increase the lots sizes so that the overall time it takes to conduct the auction is less so that the auction is efficient. A company presenting 1000 lots for transportation services would not result in a very efficient auction (very time consuming) and because of this fact would be motivated to set forth fewer larger sized lots due to time concerns. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the lot size above a predetermined value by adding (lotting) more lanes to the lot (expanded origination and destination areas) in an attempt to ensure that the auction is efficient and not too time consuming to conduct.

For claim 2, it is inherent that a list of carriers is compiled. That is inherent because as the article states, you would know beforehand who the suppliers are that would most likely be bidding on the lots. Additionally, when the auction is going on or completed, there will be a list of carriers as claimed (the ones that bid).

For claims 3,9,5,11, not specifically disclosed is that the origination area is a facility or a city. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the origination be a facility or a city, such as your manufacturing facility or facility location in a city, because that is where the transportation is needed. Unless your goods are sitting in a field outdoors and exposed to theft, one of ordinary skill in the art would understand that produced goods must be taken from the location of production (a facility) to the location of distribution. Facilities are routinely located in cities and are not normally located away from civilization.

For claims 4,10, all locations in the United States are covered by zip codes as defined by the US postal system. This fact is inherent.

For claims 6,7,12,13, the claimed limitations are inherent to the any location in the United *States* of America (a nation).

For claims 8,14, a location inherently includes a geographic area and all locations/areas are predetermined as claimed.

For claim 15, each lanes has an associated transport value and placing the lanes in lots satisfied the claimed "sorting" step.

For claims 16,17,18, not disclosed is that storing of the lanes in a database, and removing them. Because the article discloses that the reverse auction is conducted

online, it would have been obvious to one of ordinary skill in the art to store the lanes in a database so that the lanes or lots can be placed online. For claim 17 as it is best understood by the examiner, when the auction is finished one of ordinary skill in the art would also find it obvious to take the lanes out of the database due to the fact the auction is completed.

8. Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over the article "Business-to-Business online auctions: key issues for purchasing process improvement" in view of "The Stamp Center".

For claims 1,19,20-23, the article discloses the idea of reverse auctions and how they work in assisting companies in obtaining a lower price for goods or services that the company needs. The reverse auction allow cost savings to be obtained. The article discloses that in reverse auctions lots are set up for providers of the goods or service to place bids on. The bidding can be for almost anything a company desires. The article specifically discloses that transportation services are one thing that can be bid on in reverse auctions (see page 177, 2nd column; page 178, 1st column). The article specifically states that "Companies that spend a large amount of money on ground transportation to distribute goods would do well to save 4 percent". With respect to transportation of goods, it is inherent that there are origination and destination locations involved when a reverse auction is conducted for transportation services. The article also discloses and discusses what is called "lots" and "lotting" of items in the reverse auction. When using a reverse auction for transportation services there would

Art Unit: 3629

inherently be "lots" as claimed that are made up of the desired transportation services from the origination location to a destination location. Each transportation route (lane) inherently has a transport value as claimed.

Not disclosed is the increasing of an area (either origination or destination) to include more lanes in the lot so that the "lot" has a value that exceeds a predetermined value. This is essentially the adding of more lanes to the lot to make it larger (more items in the lot).

"The Stamp Center" discloses that it is known in auctions to have a minimum lot size. The examiner is using this reference in the rejection to show that minimum lot sizes are known in the art; however one of ordinary skill in the art of auctions would clearly recognize that it is old and very well known to have minimum sizes for lots when conducting auctions. This also seems to be supported by the reverse auction article itself because on page 179 it is disclosed that lots vary in size from \$100,000 to \$1,000,000. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the size of the lots by adding more lanes as claimed so that you are adhering to a predetermined minimum lots size as taught by the Stamp Center article, as is known in the art. The lots size is directly related to not only the dollar amount, but also is related to the quantity of goods.

For claim 2, it is inherent that a list of carriers is compiled. That is inherent because as the article states, you would know beforehand who the suppliers are that would most likely be bidding on the lots. Additionally, when the auction is going on or completed, there will be a list of carriers as claimed (the ones that bid).

For claims 3,9,5,11, not specifically disclosed is that the origination area is a facility or a city. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the origination be a facility or a city, such as your manufacturing facility or facility location in a city, because that is where the transportation is needed. Unless your goods are sitting in a field outdoors and exposed to theft, one of ordinary skill in the art would understand that produced goods must be taken from the location of production (a facility) to the location of distribution. Facilities are routinely located in cities and are not normally located away from civilization.

For claims 4,10, all locations in the United States are covered by zip codes as defined by the US postal system. This fact is inherent.

For claims 6,7,12,13, the claimed limitations are inherent to the any location in the United *States* of America (a nation).

For claims 8,14, a location inherently includes a geographic area and all locations/areas are predetermined as claimed.

For claim 15, each lanes has an associated transport value and placing the lanes in lots satisfied the claimed "sorting" step.

For claims 16,17,18, not disclosed is that storing of the lanes in a database, and removing them. Because the article discloses that the reverse auction is conducted online, it would have been obvious to one of ordinary skill in the art to store the lanes in a database so that the lanes or lots can be placed online. For claim 17 as it is best understood by the examiner, when the auction is finished one of ordinary skill in the art

would also find it obvious to take the lanes out of the database due to the fact the auction is completed.

9. Applicant's arguments filed 7/21/06 have been fully considered but they are not persuasive.

With respect to the 101 rejection for claims 17,18, applicant has not addressed the issue raised by the examiner in the rejection of record. For claim 17, even though it depends on claim 16, by taking the lanes out of the database (which is what applicant has claimed), the examiner does not feel there is any tangible result because you then having nothing as far as a result goes, because you have no result anymore. Putting the lanes in a database means there is a result, but if they are taken out (i.e. deleted), there is nothing left and there is no result. The claims must have a tangible result to be considered statutory.

For the 112,2nd paragraph rejections of various claims, the arguments are not persuasive. For claim 1, it is still not clear as to how many lanes are required in the scope of the claim. Applicant's remarks do not sufficiently address this issue and are found to be non-persuasive. For claim 17, applicant has stated that claim 17 indicates "the lane may be removed". This is not what has been claimed because the claim specifically is reciting "further comprising removing each lotted lane from the database". The claim does not recite what applicant has argued. The same applies to claim 18. Applicant's argument is not commensurate with the scope of the claims.

For the prior art rejection, at the outset the examiner notes that there are 3 separate obviousness statements addressing the missing limitation. None of them have been specifically addressed on the merits in the opinion of the examiner. Each obviousness statement constitutes a separate ground of rejection and sets forth different reasoning as to why the missing limitation is considered obvious. Applicant has argued that the 103 rejection is improper because there is no reasonable expectation of success (a generic argument that apparently applies to all 3 obviousness statements). The examiner notes that applicant has not provided any reasoning as to why this is believed. The argument is essentially a conclusion with no reasoning or rationale being provided to back up the stated conclusion. The applicant must provide an explanation as to why they feel there is no reasonable expectation of success; otherwise the argument is of little value to the examiner. Why is there no reasonable expectation of success? Why does applicant feel this way? For the 103 rejection with "The Stamp Center", applicant has stated that "It is respectfully submitted that Business does not teach or suggest a combination with The Stamp Center and that The Stamp Center does not teach or suggest a combination with Business". The examiner is not clear as to what argument applicant is attempting to make here. This statement is confusing and the examiner does not know what point applicant is trying to argue. The argument is non-persuasive for this reason. Applicant has stated that Business does not disclose lotting transportation services. The examiner disagrees because the "Business" reference teaches reverse auctions, teaches the concept of lotting, and does disclose the use of reverse auctions for transportation services. The article discloses

that in reverse auctions lots are set up for providers of the goods or service to place bids on. The bidding can be for almost anything a company desires. *The article specifically discloses that transportation services are one thing that can be bid on in reverse auctions (see page 177, 2nd column; page 178, 1st column).* Applicant argues on page 12 that “*The Stamp Center does not provide a disclosure for lotting transportation services or provide a reasonable expectation of success that a method of creating a lot as presently claimed as presently claimed based on the disclosures of Business and Stamp Center.*” This argument is unclear because part of the sentence just makes no sense and does not even appear to be grammatically correct in form (underlined above). The Stamp Center reference was relied upon for a teaching of minimum lot size and does not need to teach the lotting of transportation services as applicant seems to be arguing. The rest of the argument makes no sense and the examiner is not clear as to what applicant is attempting to argue. With respect to applicant’s inherency argument, it is noted but the 2nd paragraph on page 13 is another confusing argument. What is applicant attempting to argue or point out to the examiner?

The examiner would like to remind applicant that 37 CFR 1.111 requires applicant to respond to each and every rejection in the office action by pointing out “the supposed errors” in the rejections, not just some of the errors. If applicant has arguments that can be presented for patentability, they must be presented to the examiner. Applicant’s statements that they are under no duty to address the limitations considered inherent by the examiner and that they reserve the right to address this

argument in the future is not seen to be in compliance with 37 CFR 1.111, which requires that all supposed errors of a rejection be addressed by applicant.

10. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 571-272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3629

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



DENNIS RUHL
PRIMARY EXAMINER